

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office SEP 03 1996
Returned to applicant for correction _____
Corrected application filed _____
Map filed SEP 03 1996 under 62428

The applicant **Independence Mining Company, Inc.**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground (West Generator Portal)**
2. The amount of water applied for is **1.0 c.f.s. second-feet.**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining, milling, de-watering & domestic**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NW¼ SE¼ Section 33, T.41N., R.53E., M.D.M., from which the SE corner of said section 33 bears S. 41°52' E., 3,091 ft. dist.**
6. Place of Use **T.39N., R.53E. - Sections 1 through 24; T.39N., R.54E., Secs. 5 - 8, 17 - 20; T.40N., R.53E., - all sections; T.40N., R.54E., - W½ Sec. 3, 4 - 8, 17 - 20, 29 - 32; T.41N., R.53E. - all sections; T.41N., R.54E., - Secs 5 - 8, 18 - 20, 29 - 33, W½ Sec 34.**
7. Use will begin about **January 1** and end about **December 31**, of each year.
8. Description of proposed works **connecting of underground de-watering sites within the "West Generator" mine with a pipeline network, converging at the portal at the above-described point of diversion.**
9. Estimated cost of works **\$300,000.00**
10. Estimated time required to construct works **two years**
11. Estimated time required to complete the application of water to beneficial use **five years**
12. Remarks: **Contemplated uses: dust suppression - 60 mga; backfill plant - 5 mga. The balance (171 mga) of the requested appropriation of 235.8 mga, necessary to accomplish the de-watering of the mine ore zones, will be disposed of through re-injection under UIC permit #UNEV93214, rapid infiltration basin, direct surface discharge (NPDES permit) or land application.**

This application is for an appropriation in addition to that permitted under #61394, due to expanding exploration and mining plans, and due to the uncertainty of total water volumes which may be encountered during the normal course of development, and further, to allow flexibility in the conduct of exploration and mine development operations at the Jerritt Canyon Project.

By s/William A. Nisbet
421 Court St.
Elko, Nevada 89801

Compared cms/bk cl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

The issuance of this permit will allow the permittee to dewater the West Generator Mine Project. The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. All of the water from the dewatering site not used for consumptive mining and milling purposes shall be injected and returned to the groundwater source in Independence Valley (Hydrographic Groundwater Basin 3-36) upon issuance and in accordance with the Division of Environmental Protection's UIC permit. It is understood that this right must allow for a reasonable lowering of the static water level.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 50675, 52771, 54192, 54878, 59911, 61393, 61394, 62306, 62307, 62428 and 62429 shall not exceed 2,500.0 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Upon completion of the injection or infiltration program plan, prepare and submit a map to the State Engineer illustrating the location of the sites and delivery system.

Monthly records shall be kept of the following information: (1) The instantaneous pumping rate and the volume of water pumped from each well or other groundwater or surface diversion site, (2) The volume of water consumptively used for mining and milling purposes, (3) The volume of water discharged for disposal, and (4) The water level in each injection well and the change from the last measurement. These records shall be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:
April 23, 1998

Proof of completion of work shall be filed before:
May 23, 1998

Application of water to beneficial use shall be filed on or before:
April 23, 2000

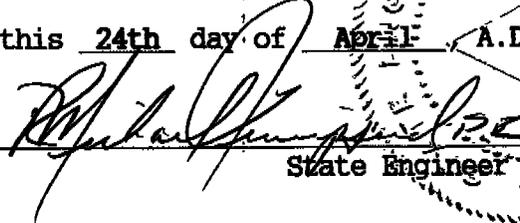
Proof of the application of water to beneficial use shall be filed on or before:
May 23, 2000

Map in support of proof of beneficial use shall be filed on or before:
N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,
State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 24th day of April, A.D. 1997


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

